

Shannon A. Bertrand  
John A. Facey, III  
James P. W. Goss  
Hans G. Huessy  
A. Jay Kenlan  
Rodney E. McPhee  
John C. Newman  
Edward V. Schwiebert

Paula J. McCann, Of Counsel  
Ron R. Morgan, Of Counsel

Hans G. Huessy, Esq.  
hhuessy@kenlanlaw.com  
Direct Dial (802) 665-2690

KENLAN  
SCHWIEBERT  
FACEY  
& GOSS, P.C.  
ATTORNEYS AT LAW

Christopher W. Blanchard  
David R. Cooper  
Heather Z. Cooper  
Matthew D. Getty  
Matthew G. Hart  
Marilyn A. Mahusky  
Michael A. Stahler  
Karen M. Villemaire

Candy Anderson, Paralegal  
Kim J. Miller, Paralegal  
Holly Webb, Paralegal

November 2, 2010

Mrs. Susan M. Hudson,  
Clerk Vermont Public  
Service Board Drawer 20,  
112 State Street Montpelier,  
VT 05620-2701

**RE: Beaver Wood Energy Fair Haven, LLC**  
**Certificate of Public Good — Section 248 Permit Application**

Dear Mrs. Hudson:

With this letter, Beaver Wood Energy Fair Haven, LLC ("BWE") respectfully submits a Petition, prefiled testimony and exhibits in support of BWE's request, pursuant to Section 248 of Title 30, Vermont Statutes Annotated, and Public Service Board ("Board") Rule 5.400, for a Certificate of Public Good ("CPG") to construct a 29.5 MW state-of-the-art biomass generating facility and fully integrated wood pellet manufacturing plant to be sited north of Route 4 in Fair Haven, Vermont (the "Project"). Also submitted herewith are two Certificates of Service, a Notice of Appearance, and a Motion for Preliminary Approval.

**The Project**

BWE is a Delaware LLC registered to do business in Vermont. The Project will be located off of Route 4 on site previously considered for a truck and rail hub in Fair Haven, Vermont. BWE has an option to purchase the site from its current owners. The site is currently vacant and landlocked. BWE will access the site pursuant to a Break in Limited Access granted to the Town of Fair Haven when the truck and rail hub was under consideration.

BWE's Project represents a new technically advanced generation of biomass power plants. The use of a higher temperature and pressure boiler steam cycle combined with the use of multiple heaters will make this Plant among the most efficient of its type. The integration of the pellet plant with the biomass generator makes the Project more energy efficient than other biomass

November 2, 2010

Page 2

facilities. The use of the power boiler flue gas to provide drying energy to the pellet dryer is very unique and advanced technology. This energy that would normally be discharged up the chimney is instead used to dry the high moisture chips before they are made into dry pellets. Another synergy resulting from the integration of the two facilities is the use of the bark that is removed from the logs to make pellets as fuel for the power boiler. As a result, this bark does not become a waste product. The air emissions from the Project will be among the lowest in the country for a facility of this type.

The construction cost of the facility is estimated at \$250 million. The combined facilities will have a payroll of \$3.4 million for 45 employees plus an annual spending of \$9.9 million for contractors. The facilities will be purchasing \$18.2 million annually in forest products from loggers working within a 50 mile radius of the Project. The construction of the Project is expected to lead to the creation of about 1,050 jobs in Vermont. Operation of the Project is expected to create over 230 new jobs with a payroll of over \$11 million statewide from 2013 forward. State tax revenues are expected to increase by over \$2.5 million annually with the ongoing operations of the Project. The Project's contribution to the Fair Haven Grand List will significantly reduce local property taxes over the life of the Project. Accordingly, Beaver Wood believes that the Project will have a very positive fiscal impact on the Town of Fair Haven, as well as on the region and the State.

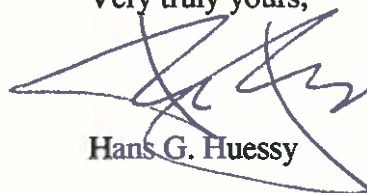
#### **Anticipated Project Schedule**

Currently, the schedule contemplates receipt of all required approvals, including a Certificate of Public Good approving construction of the Project, by the summer of 2011, with construction completed by the end of 2013.

#### **Request for Prehearing Conference**

Petitioners respectfully request the Board to hold a prehearing conference on this matter as soon as possible to address Petitioner's request to be allowed to undertake certain limited construction activities in late 2010 and early 2011 in order to qualify for a federal tax grant. A detailed discussion of the nature of the grant and attendant deadlines is included in the Motion for Preliminary Approval.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Hans G. Huessy", is written over a large, stylized, handwritten "X" or "Z" mark.

Hans G. Huessy

Enclosures  
HGH/lb